

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AN ACT

RELATING TO PUBLIC HOUSING; EXPANDING THE STATE INVESTMENT
COUNCIL SERVICES TO INCLUDE THE NEW MEXICO MORTGAGE FINANCE
AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-8-7 NMSA 1978 (being Laws 1957,
Chapter 179, Section 7, as amended) is amended to read:

"6-8-7. POWERS AND DUTIES OF STATE INVESTMENT OFFICER--
INVESTMENT POLICY--INVESTMENT MANAGERS.--

A. Subject to the limitations, conditions and
restrictions contained in policy-making regulations or
resolutions adopted by the council and subject to prior
authorization by the council, the state investment officer
may make purchases, sales, exchanges, investments and
reinvestments of the assets of all funds administered under
the supervision of the council. The state investment officer
shall see that money invested is at all times handled in the
best interests of the state.

B. Securities or investments purchased or held may
be sold or exchanged for other securities and investments;
provided, however, that no sale or exchange shall be at a
price less than the going market at the time the securities
or investments are sold or exchanged.

C. In purchasing bonds, the state investment

1 officer shall require a certified or original written opinion
2 of a reputable bond attorney or the attorney general of the
3 state certifying the legality of the bonds to be purchased;
4 provided, however, this written opinion may be the approving
5 legal opinion ordinarily furnished with the bond issue.

6 D. The state investment officer shall formulate
7 and recommend to the council for approval investment
8 regulations or resolutions pertaining to the kind or nature
9 of investments and limitations, conditions and restrictions
10 upon the methods, practices or procedures for investment,
11 reinvestment, purchase, sale or exchange transactions that
12 should govern the activities of the investment office.

13 E. The council shall meet at least once each
14 month, and as often as exigencies may demand, to consult with
15 the state investment officer concerning the work of the
16 investment office. The council shall have access to all
17 files and records of the investment office and shall require
18 the state investment officer to report on and provide
19 information necessary to the performance of council
20 functions. The council may hire one or more investment
21 management firms to advise the council with respect to the
22 council's overall investment plan for the investment of all
23 funds managed by the investment office and pay reasonable
24 compensation for such advisory services from the assets of
25 the applicable funds, subject to budgeting and appropriation

1 by the legislature. The terms of any such investment
2 management services contract shall incorporate the statutory
3 requirements for investment of funds under the council's
4 jurisdiction.

5 F. For the purposes of the investment of all funds
6 managed by the investment office, the state investment
7 officer shall manage the funds in accordance with the prudent
8 investor rule set forth in the Uniform Prudent Investor Act.
9 With the approval of the council, the state investment
10 officer may employ investment management services to invest
11 the funds and may pay reasonable compensation for investment
12 management services from the assets of the applicable funds,
13 subject to budgeting and appropriation by the legislature.

14 G. For funds available for investment for more
15 than one year, the state investment officer may contract with
16 any state agency to provide investment advisory or investment
17 management services, separately or through a pooled investment
18 fund, provided the state agency enters into a joint powers
19 agreement with the council and that state agency pays at least
20 the direct cost of such services. Notwithstanding any
21 statutory provision governing state agency investments, the
22 state investment officer may invest funds available from a
23 state agency pursuant to a joint powers agreement in any type
24 of investment permitted for the land grant permanent funds
25 under the prudent investor rule. In performing investment

1 services for a state agency, the council and the state
2 investment officer are exempt from the New Mexico Securities
3 Act of 1986. As used in this subsection, "state agency" means
4 any branch, agency, department, board, instrumentality,
5 institution or political subdivision of the state, the New
6 Mexico finance authority, the New Mexico mortgage finance
7 authority and any tax-exempt private endowment entity whose
8 sole beneficiary is a state agency." _____

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25